

## Old Age, Disability, Death

First law: 1910.

Current laws: 1945, 1967, 1971, 1975, 1980, 1982, 1988, 1993, 1994 and 1995.

Type of program: Social insurance system; also mandatory private pension systems.

**Exchange rate:** U.S.\$1.00 equals 5.16 francs.

### Coverage

Employed persons. Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed. Voluntary affiliation for nonworking head of household (old-age pension only), nonemployed persons caring for disabled family member and those employed abroad. Compulsory old-age pension affiliation for women receiving certain family benefits (See Family Allowances, below.) and those caring for a disabled person.

### Source of Funds

**Insured person:** 6.55% of pensionable earnings plus 0.1% of total earnings for surviving spouse's allowance. General Social Contribution (CGS): An additional 3.4% of 95% income generally from all sources (of which 1% is directed towards financing family allowances.)

**Employer:** 8.2% of covered earnings plus 1.6% of total payroll.

**Government:** Variable subsidies.

Maximum earnings for contribution and benefit purposes: 13,720 francs a month.

Disability and survivor benefits financed under sickness and maternity program (see below).

### Qualifying Conditions

**Old-age pension:** Age 65 (or 60 disabled, or working mother) and 150 quarters of coverage for a full pension—equal to 50% of covered earnings. If less than 150 quarters of coverage, pension is subject to proportionate reductions (reduced by 1/150 for each quarter of shortfall). Full pension also payable at age 60 if 154 quarters of coverage (as of 1997). Coverage requirement is being raised each year, scheduled to reach 160 quarters by January 1, 2003 for retirees born in 1943 and after. If less than 154 quarters, subject to pension reduction in addition to proportionate reduction. Additional reduction is function of quarters below 154 and months below age 65 (Maximum additional reduction: 25 percentage points). Benefits are payable abroad under reciprocal agreements.

**Disability pension:** Under age 60. Loss of at least 2/3 of earning capacity, in any occupation. Entry into insurance 12 months before incapacity and 800 hours of employment in last 12 months, including 200 hours in last 3 months.

**Survivor pension:** Aged at least 55 and married for 2 years unless there is a child from the marriage. Personal income less than 78,853 francs per year.

Surviving spouse's allowance: Aged less than 55 and has or has had a dependent child. Personal income less than 11,524 francs per quarter.

## Old-Age Benefits

**Old-age pension:** Depending on age and duration of insurance coverage, 25 to 50% of average salary for the best 25 years (adjusted since 1947) as of January 1, 2008, (between January 1, 1994 and December 31, 2007, the number of years taken into account will vary between 11 and 24 years depending on the year of birth). 50% of adjusted average salary if 160 quarters of coverage in any scheme as of January 1, 2003 (between January 1, 1994 and December 31, 2002, the number of quarters required will vary between 151 and 159 according to year of birth), or if disabled, aged 65, working mother or war veteran.

Full pension if 150 quarters in general scheme only, otherwise reduced according to number of quarters.

Pension only payable where employment in previous occupation ceased definitely. Possibility of taking up other employment. Minimum pension: Pension calculated on basis of 50% rate cannot be less than 38,524.90 francs per year if have 150 quarters of coverage in general scheme. Otherwise, minimum reduced depending on length of coverage.

Maximum: 50% of maximum earnings for contribution purposes (82,320 francs).

Spouse's supplement (income-tested): 4,000 francs a year at age 65 (aged 60-64 if disabled) if insured had 150 quarters of coverage; otherwise, proportionately reduced. Child's supplement: 10% of pension if insured reared 3 children.

Old-age supplement : 24,050 francs a year to low income pensioners if single (39,612 francs for married couple).

Old-age allowance: 17,147 francs per year to low-income pensioners who are 65 years old (60 if disabled) and if single, earn 42,193 francs a year ( 73,906 francs a year per couple).

Means-tested allowance: 17,147 francs a year to low-income aged workers ineligible for pension.

Constant attendance allowance: 17,147 francs a year.

Adjustment: Adjustment of pensions for changes in cost of living.

### Permanent Disability Benefits

**Disability pension:** 50% of average earnings in highest paid 10 years if incapable of any professional activity, up to a maximum of 82,320 francs a year.

Partial disability: 30% of average earnings in highest paid 10 years, if capable of some form of work, up to a maximum of 49,392 francs per year.

Minimum pension: 17,147 francs a year.

Constant-attendance supplement: 67,158 francs to 82,320 francs a year.

Disability allowance: 17,147 francs a year to low-income pensioners.

Means-tested allowance: 17,147 francs a year to low-income disabled workers if ineligible for pension.

Adjustment: Adjustment of pensions for changes in cost of living.

### Survivor Benefits

**Survivor pension** (income-tested unless disabled): 54% of insured's pension. Payable to widow, divorced or deserted wife, or widower; must not have remarried. Pension proportionately divided if more than 1 qualified surviving spouse.

Old-age pension payable to disabled widow or widower age 55 whose spouse was also disabled, regardless of income or length of marriage.

Minimum pension: 17,147 francs a year if insured had 60 trimesters of coverage. Amount of survivor pension limited if also receiving old-age or disability pension.

Child's supplement: 10% if surviving spouse gave birth to or raised 3 children.

Child-care supplement: 5,896 francs per year.

Adjustment: Adjustment of pensions for changes in cost of living.

Surviving spouse's allowance (income-tested): Payable up to 3 years following death of insured. Amount equals 3,073 francs a month during 1st year, 2,019 francs during 2nd year and, 1,537 francs during 3rd year. If beneficiary is at least age 50, payment is extended until age 55 at 3rd year rate.

Death grant: 90 days' earnings of deceased. Minimum: 1,646.40 francs; maximum, 41,160 francs.

#### Administrative Organization

Ministry of Labor and Social Affairs, general supervision and issuance of regulations.

National Old-Age Pension Insurance Fund, administration of old-age pensions and surviving spouse's allowances.

National Sickness Insurance Fund, administration of disability and survivor pensions.

Contributions collected by joint collection agencies.

#### Sickness and Maternity

First law: 1928.

Current laws: 1945, 1967, 1971, 1974, and 1978.

Type of program: Social insurance system.

#### Coverage

Employed persons. Pensioners and some groups of nonearners also covered for medical benefits.

Special systems for agricultural, clergy, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed (medical benefits provided under general system for some groups).

Voluntary affiliation for residents not working in covered employment.

#### Source of Funds

**Insured person:** 5.6% of total earnings; old-age pensioners (low-income pensioners exempt), 1.4% of old-age pension and 2.9% of private pension; unemployed, 2% of guaranteed minimum income for unemployed; 1% of unemployment benefits and training allowances. Flat-rate contributions for students, young persons, and others not covered otherwise.

**Employer:** 12.80% of total payroll.

**Government:** Proceeds from 12% surcharge on automobile insurance premiums plus proceeds from tax on costs of pharmaceutical advertising, alcohol, and tobacco; also funds for new hospital construction and part of cost for certain health and social services.

Above contributions also finance disability and survivor benefits.

#### Qualifying Conditions

**Cash sickness and maternity benefits:** 200 hours of paid employment in the last 3 months.

**Medical benefits:** 60 hours paid employment in the last 30 days with contributions paid on wages amounting to at least 60 times the minimum wage, or 120 hours of employment in the last 90 days with contributions on an amount equal to 120 times the minimum wage. Under these conditions, benefits can be paid for 1 year. With 1,200 hours of employment in the course of one year or contributions on an amount equal to 2,030 times the minimum wage, benefits are paid for 2 years.

#### Sickness and Maternity Benefits

Sickness benefit: 50% of covered earnings, up to social security ceiling. Minimum, 47 francs a day (no minimum during first 6 months of benefit). Maximum, 229 francs a day. Rising to 66 2/3%. Minimum, 63 francs a day; maximum, 305 francs a day after 30 days if 3 or more children.

For ordinary illness, payable after 3-day waiting period (employer pays for 1st 3 days) for up to 360 days in a 3 consecutive year period. For serious, chronic or prolonged illness, each period of illness calculated separately during a 3-year period.

**Maternity benefit:** 100% of net earnings up to social security ceiling. Duration depends on number of children in family and number of children requiring care. For 1st child, payable for 6 weeks before and 10 weeks after confinement; 2nd and subsequent children, 8 weeks before and 18 weeks after confinement (or 10 weeks and 16 weeks, respectively); 12-24 weeks before, and 22 weeks after, if multiple births. In cases of adoption, entitled to corresponding postnatal period.

Payable additional 2 weeks before confinement if complications. Minimum, 47 francs a day. Maximum, 457 francs a day.

#### Workers' Medical Benefits

**Medical benefits:** Cash refunds of part of medical expenses.

Includes general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation. Insured normally pays for services, and is reimbursed by local sickness fund. Amount reimbursed depends on the type of service, for example, 70% for medical services, 60% for paramedical services, 80% for hospitalization and 35 to 65% for pharmaceuticals. Insured pays 70 francs a day for hospitalization room and board charges (disabled children, war and work accident victims exempt) in addition to above cost-sharing arrangements. Duration: No limit.

#### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for insured person except for in-kind benefits. Following divorce from or death of insured, medical benefits payable for 1 year or until youngest child's third birthday. Unlimited protection for eligible person who has raised three children or more.

#### Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

## FRANCE

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National Sickness Insurance Fund, coordination of regional funds and financial equalization; bipartite governing body.  
Regional Sickness Insurance Funds, coordination of local funds; bipartite governing bodies.  
Primary (local) Sickness Insurance Funds, registration of insured, payment of cash benefits, and refunds of medical expenses; bipartite governing bodies.  
Contributions collected by joint collection agencies.

### Work Injury

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First law: 1898.  
Current laws: 1946 and 1972 (agriculture).  
Type of program: Social insurance system.

#### Coverage

Employed persons, vocational education students, and certain nonpaid members of social service organizations.  
Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed.

#### Source of Funds

**Insured person:** None.

**Employer:** Whole cost, through contributions varying with risk.  
Average, 2.26% of total payroll.

**Government:** None.

#### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

#### Temporary Disability Benefits

**Temporary disability benefit:** During first 28 days, 60% of earnings; maximum, 823.85 francs a day. Thereafter, 80%; maximum, 1,098.47 francs a day.

Payable from day following incapacity for work.

#### Permanent Disability Benefits

**Permanent disability pension:** 100% of average earnings during last 12 months, if totally disabled, with minimum and maximum established by formula.

Constant-attendance supplement: 40% of pension; minimum, 67,158.71 francs a year.

Partial disability: Average earnings multiplied by 50%, then multiplied by the degree of incapacity for a disability between 10% and 50%; multiplied by 150%, then multiplied by the degree of incapacity for a disability above 50%.

Lump sum payable if less than 10% incapacity.

#### Workers' Medical Benefits

**Medical benefits:** All necessary care, including medical treatment and surgery, hospitalization, medicines, appliances, rehabilitation, and transportation.

Services paid for directly by fund, with no cost sharing by patient.

#### Survivor Benefits

**Survivor pension:** 30% of earnings of insured if under age 55, or 50% if age 55 or disabled. Payable to widow or widower.

Orphans: 15% of earnings for each of first 2 children under age 16 (17 if unemployed, 18 if apprentice, 20 if student or disabled), 10% for each additional child; or 20% each if full orphan.

Other dependent relatives: 10% of earnings each, up to maximum of 30%.

Maximum survivor pensions: 85% of earnings of insured.

Funeral grant: Cost of burial up to 6,860 francs.

#### Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Sickness Insurance Fund, administration of program at national level.

Primary Sickness Insurance Funds, payment of benefits.

Contributions collected by joint collection agencies.

### Unemployment

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First law: 1905.

Current laws: 1967 (legal extension of 1958 labor-management agreement on unemployment insurance), 1972 (guaranteed income for unemployed aged 60 and over), 1974 (agriculture), and 1984.

Type of program: Dual compulsory employee-employer and government-funded system.

#### Coverage

Unemployment insurance: Employed persons.

Special systems for building and dock workers, merchant seamen, aviators, domestic workers, seasonal workers, and public sector workers.

Solidarity program (means-tested): Young job seekers; recently widowed, divorced, separated, or single women with 1 or more children; recently discharged military veterans; prisoners; apprentices; long-term unemployed having exhausted unemployment insurance.

#### Source of Funds

**Insured person:** 3.01% of monthly earnings up to 13,720 francs. 3.60% of earnings between 13,720 francs and 60,320 francs.

**Employer:** 5.13% of payroll up to 13,720 francs and 5.26% for higher amounts.

**Government:** Whole cost of solidarity program.

Maximum earnings for contribution and benefit purposes: 54,880 francs a month.

(Supplementary contributions by employer and employee for supervisory personnel.)

#### Qualifying Conditions

**Unemployment benefit:** Under age 60 (or between 60 and 65 without enough quarters of coverage to qualify for a full old-age pension), with at least 91 days or 507 hours of paid employment in the preceding 12 months. Must live in France, be registered at employment office, capable of and available for work.

Unemployment not due to voluntary leaving, misconduct, or refusal of suitable job offer.

Solidarity benefit: Long term unemployed and meets certain conditions regarding previous activities. Income tested.

### Unemployment Benefits

**Unemployment benefit:** The initial benefit equals 57.4% of the daily reference wage, for a period (4-27 months) that varies according to age and length of covered employment. An additional period of reduced benefits may follow which also varies in length according to age and work history. The benefit is further reduced every 6 months.

Minimum benefit: 101.92 francs a day. Increased to 127.82 if 52 years or older, unemployed more than a year, with 20 years of employment in Assedic-affiliated enterprise, with one consecutive or 2 separate years of employment in last 5 years.

Solidarity benefit: From 74.01 to 106.30 francs a day, depending on age, years of coverage, or family situation.

Solidarity allowance: Variable amount renewed every 6 months.

Ages 59 years, 6 months and older, with 12 years of earnings, can maintain benefits, up to age 65, until eligible for retirement.

### Administrative Organization

Unemployment insurance organizations (UNEDIC-ASSEDIC) with bipartite (management-labor) governing bodies, administration of unemployment insurance and payment of unemployment insurance benefits.

Parental education allowance: Parent who stops paid work or reduces paid activity to raise 2nd or subsequent child; employed 24 months during last 5 or 10 years preceding birth or adoption. Paid until child reaches age 3.

Home child care allowance: Covers social security contributions where employed parents pay for a person to mind their young child at home.

Accredited child care benefit: Children under age 6, if parents are working and pay for child care by an accredited carer. Includes cash benefit and payment of social security contributions.

Special education allowance: Caring for a handicapped child.

Beginning of school year allowance: Children aged between 6 and 18 years old. Income-tested.

Education allowance: to low-income families with children ages 11-16.

### Family Allowance Benefits

**Family allowances:** 675 francs for each of first 2 children; 864 francs for subsequent children. Additional 190 francs for child between 10 and 15; 337 francs for children over 15 (except for the first in a 2-child family).

Family supplement (income-tested): 878 francs a month.

Young child allowance: 969 francs per family.

Single parent allowance: 3,163 francs per month during pregnancy; 4,217 francs for one child and 1,054 for each additional child.

Parents education allowance: 3,006 francs (full rate).

Accommodation allowance: Variable amount depending on rent level, income and number of children.

Child care benefit for hiring help: 811 francs a month for a child under 3; 406 francs for child aged 3-6.

Special education allowance: 675 francs a month, additional amount from 506 francs to 5,597 francs depending on level of handicap of child.

Beginning of school year allowance: Special amount of 1,000 francs in September 1996.

School aid: 341 or 1,093 francs depending on family income.

Adoption allowance: 969 francs a month.

### Survivors Benefits

**Family support allowances:** Payable for orphan or abandoned child or child of unknown parentage. 474 francs a month or 633 francs a month if full orphan.

### Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Family Allowances Fund, coordination of funds and financial equalization; bipartite governing body.

## Family Allowances

First law: 1932.

Current laws: 1946 as amended through 1994.

Type of program: Universal system.

### Coverage

**Family allowances:** Families living in France for at least 3 months.

### Source of Funds

**Insured person:** None, except self-employed and agricultural workers.

**Employer:** 5.4% of payroll. (low earnings are partially or totally exempt.)

**Government:** 1.1% of total revenues used to finance family allowances.

### Qualifying Conditions

**Family allowances:** At least 2 children; must be under age 18, age 20 if apprentice, student, trainee, or disabled.

Young child allowance: Paid from 5 months of pregnancy until age 3. Income-tested.

Family supplement: 3 or more children over age 3. Income-tested.

Accommodation allowance: At least one child. Paying rent or monthly mortgage payments. Income-tested.

Single parent allowance (income-tested): Single person caring for 1 or more children for a limited period.